

REVENUE DIVISION OF DEPARTMENT OF TREASURY (EXCERPT)
Act 122 of 1941

205.31 Waiver of criminal and civil penalties; conditions; amnesty program; prohibition; notice; payment in installments.

Sec. 31. (1) If a taxpayer does not satisfy a tax liability or makes an excessive claim for a refund as a result of reliance on erroneous current written information provided by the department, the state treasurer shall waive all criminal and civil penalties provided by law for failing or refusing to file a return, for failing to pay a tax, or for making an excessive claim for a refund for a tax administered by the department of treasury pursuant to this act if the taxpayer makes a written request for a waiver, files a return or an amended return, and makes full payment of the tax and interest.

(2) For a period to be designated by the state treasurer of not less than 30 days and not more than 60 days, and ending before September 30, 2002, there shall be an amnesty period during which the state treasurer shall waive all criminal and civil penalties provided by law for failing or refusing to file a return, for failing to pay a tax, or for making an excessive claim for a refund for a tax administered by the revenue division of the department of treasury under this act if the taxpayer makes a written request for a waiver, files a return or an amended return, and makes full payment in either a lump sum or installments as provided under subsection (9), of the tax and interest due for any prior tax year.

(3) This section applies to the nonreporting and underreporting of tax liabilities and to the nonpayment of taxes previously determined to be due, but only to the extent of the penalties attributable to the taxes that were previously due and that are paid during the amnesty period provided for in subsection (2).

(4) The department shall administer this section.

(5) Subsection (2) does not apply to taxes due after June 1, 2001.

(6) There is appropriated from the revenues generated by taxes paid under subsection (2) the sum of \$1,500,000.00 to the department of treasury for administration of the amnesty program created by the amendatory act that added this subsection. This appropriation is allotted for expenditure on and after October 1, 2001. Only general purpose revenue generated by the amendatory act that added this subsection may be used to finance this appropriation.

(7) The state treasurer shall not waive criminal and civil penalties applicable to a tax under subsection (2) if 1 or more of the following circumstances apply:

(a) If the taxpayer is eligible to enter into a voluntary disclosure agreement under section 30c for that tax.

(b) If the tax is attributable to income derived from a criminal act, if the taxpayer is under criminal investigation or involved in a civil action or criminal prosecution for that tax, or if the taxpayer has been convicted of a felony under this act or the internal revenue code of 1986.

(8) The department shall provide reasonable notice to taxpayers that may be eligible for the amnesty program at least 30 days before the start of the designated amnesty period. Notification shall include, but is not limited to, a description of the amnesty program on appropriate tax instruction forms and on the internet.

(9) Under the amnesty program described in subsection (2), a taxpayer may pay tax and interest due in installments if the taxpayer meets 1 of the following:

(a) The taxpayer is an individual and submits the greater of \$10,000.00 or 50% of the tax and interest due with the request for waiver under subsection (2) and pays the remaining tax and interest due in 2 equal installments, the first installment due no later than August 15, 2002 and the second installment due no later than September 15, 2002.

(b) A taxpayer that is not an individual submits the greater of \$100,000.00 or 50% of the tax and interest due with the request for waiver under subsection (2) and pays the remaining tax and interest due in 2 equal installments, the first installment due no later than August 15, 2002 and the second installment due no later than September 15, 2002.

History: Add. 1986, Act 58, Imd. Eff. Mar. 26, 1986;—Am. 1993, Act 14, Imd. Eff. Apr. 1, 1993;—Am. 2001, Act 168, Imd. Eff. Nov. 27, 2001;—Am. 2002, Act 657, Imd. Eff. Dec. 23, 2002.

Compiler's note: Section 2 of Act 58 of 1986 provides: "The changes in penalties and interest affected by this amendatory act shall take effect July 1, 1986."

Section 3 of Act 58 of 1986 provides: "Except for section 31 and the provisions of enacting section 2, this amendatory act shall take effect May 1, 1986."

Popular name: Revenue Act